

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL****FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

02-12

2. STATE:

Virginia

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE

July 2, 2002

REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR Part 447

7. FEDERAL BUDGET IMPACT:

a. FFY 2002 \$ 3,500,000b. FFY 2003 \$ 14,000,000

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19 B, 7.1 (a) of 15

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

4.19 B, p 7.1 (a) ADDS

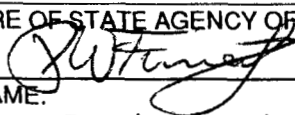
10. SUBJECT OF AMENDMENT:

Upper Payment Limits = Non-State Government-Owned Clinics

GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL☒ OTHER, AS SPECIFIED: Secretary,
Health and Human Resources

12. SIGNATURE OF STATE AGENCY OFFICIAL:



13. TYPED NAME:

Patrick W. Finnerty

14. TITLE:

Director

15. DATE SUBMITTED:

9/24/02

16. RETURN TO:

Department of Medical Assistance Services
600 East Broad Street, Suite 1300
Richmond, Virginia 23219

17. DATE RECEIVED:

9/24/02

FOR REGIONAL OFFICE USE ONLY

18. DATE APPROVED:

JUN 11 2003

19. EFFECTIVE DATE OF APPROVED MATERIAL:

7/2/02

PLAN APPROVED - ONE COPY ATTACHED

20. SIGNATURE OF REGIONAL OFFICIAL:



21. TYPED NAME:

MARY T. MCSORLEY

22. TITLE: ASSOCIATE REGIONAL ADMINISTRATOR
DIVISION OF MEDICAID & CHILDREN'S HEALTH

23. REMARKS:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of VIRGINIA

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES-INPATIENT SERVICES

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18. Supplemental payments to non-state government-owned or operated clinics.
- a. In addition to payments for clinic services specified elsewhere in this state plan, DMAS provides supplemental payments to qualifying non-state government-owned or operated clinics for outpatient services provided to Medicaid patients on or after July 2, 2002. Clinic means a facility that is not part of a hospital but is organized and operated to provide medical care to outpatients. Outpatient services include those furnished by or under the direction of a physician, dentist or other medical professional acting within the scope of his license to an eligible individual. A qualifying clinic is a clinic with estimated Medicaid payments in 2003 (including primary payments and copayments) of more than \$100,000 other than under this section and that serve areas covered by managed care prior to January 1, 1998.
 - b. The amount of the supplemental payment made to each qualifying non-state government-owned or operated clinic is determined by:
 - (1) Calculating for each clinic the annual difference between the upper payment limit attributed to each clinic calculated according to d. below and the amount otherwise actually paid for the services by the Medicaid program;
 - (2) Dividing the difference determined in (1) for each qualifying clinic by the aggregate difference for all such qualifying clinics; and
 - (3) Multiplying the proportion determined in (2) by the aggregate upper payment limited amount for all such clinics as determined in accordance with 42 CFR § 447.321 less all payments made to such clinics other than under this section.
 - c. Payments for furnished services made under this section may be made in one or more installments at such times, within the fiscal year or thereafter, as is determined by DMAS.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of VIRGINIA

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES-INPATIENT SERVICES

- d. To determine the aggregate upper payment limit referred to in (b(3)) above, Medicaid payments to non-state government owned or operated clinics will be divided by the "additional factor" whose calculation is described in Attachment 4.19-B, Supplement 4 (12 VAC 30-80-190 B) in regards to the state agency fee schedule for RBRVS. Medicaid payments will be estimated using payments for dates of service from the prior fiscal year adjusted for expected claim payments. Additional adjustments will be made for any program changes in Medicare or Medicaid payments.
- B. Hospice services payments must be no lower than the amounts using the same methodology used under Part A of Title XVIII and take into account the room and board furnished by the facility, equal to at least 95 percent of the rate that would have been paid by the State under the plan for facility services in that facility for that individual.

TN No. 02-12
Supersedes
TN No. New Page

Approval Date JUN 11 2003

Effective Date 7/2/2002

HCFA ID: